

Colt Group S.A.  
K2 Building  
Forte 1  
2a rue Albert Borschette  
L-1246 Luxembourg  
R.C.S. B115679

## Colt Group S.A. announces acceleration of transformation programme

**19 December 2012:** Colt Group S.A. (London Stock Exchange: COLT) today announces a programme to accelerate the transformation of its business.

In our Q3 interim management statement of 25 October 2012 we highlighted that Colt had been reviewing initiatives to accelerate the required skills transformation for future growth while aligning cost structures for our legacy business. Today we provide more details of these plans.

The Company continues to execute on its strategic business initiatives as discussed at its Capital Markets Day held in May. Investments in growth areas including managed network and IT services are yielding increased bookings which require an acceleration in the need for skill sets to support these growth areas. At the same time, costs supporting our legacy business are being aligned with expected revenues. This is being done with an eye on the sustained difficult economic environment and continued expectations of a slow economic recovery across Europe. By executing these plans now we will be in a position to support our growth areas, protect Group profitability in the immediate future and help improve our operational efficiency going forward.

These plans form part of Colt's continued transformation of the business to become a new breed of service provider - the information delivery platform. The plans include:

- Changing the balance of skills in our business to support our development of a solutions business including information technology resources
- Consolidation of resources through improvements gained from our investments in system and process improvement
- Leveraging our shared service centres located in Barcelona, India and Romania.

The efficiencies from implementing these plans are expected to amount to approximately €44 million per annum. Of this, approximately one third will be invested into new roles, providing a net recurring annual cost saving of approximately €27 million by 2014.

The Company will take an exceptional charge of between €28 million to €33 million in the fourth quarter of 2012 associated with the costs of implementing these plans. The majority of the cash outflow to support these programmes will fall into 2013. The payback is therefore expected to take just over a year.

Colt continues to execute in a challenging environment and we are confident that the actions we are taking will position the business well for the future.

Commenting on the plans, Rakesh Bhasin, Chief Executive Officer said "Our performance remains on track. Given the economic backdrop, we believe now is the right time to accelerate the transformation of our cost and skills base. This will result in Colt becoming a more efficient business, and one that is better positioned to execute on its strategy."

## **FORWARD LOOKING STATEMENTS**

This report contains 'forward looking statements' including statements concerning plans, future events or performance and underlying assumptions and other statements which are other than statements of historical fact. Colt Group S.A., 'the Group', wishes to caution readers that any such forward looking statements are not guarantees of future performance and certain important factors could in the future affect the Group's actual results and could cause the Group's actual results for future periods to differ materially from those expressed in any forward looking statement made by or on behalf of the Group. These include, among others, the following: (i) any adverse change in regulations and technology within the IT services and communications industries, (ii) the Group's ability to manage its growth, (iii) the nature of the competition that the Group will encounter and wider economic conditions including economic downturns, (iv) unforeseen operational or technical problems and (v) the Group's ability to raise capital. The Group undertakes no obligation to release publicly the results of any revision to these forward looking statements that may be made to reflect errors or circumstances that occur after the date hereof.

### **Enquiries:**

#### **Investor Relations:**

Morten Singleton

DDI: +44 (0) 20 7863 5314

#### **Press:**

Helen Toft

DDI: +44 20 7039 2420

Mobile: +44 7855 301078

Email: [helen.toft@colt.net](mailto:helen.toft@colt.net)